

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Basic Financial Statements
and Independent Auditors' Report**

**As of and for the Year Ended June 30, 2011
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **NOV 09 2011**

LOUISIANA STATE BOARD OF NURSING
17373 Perkins Rd.
Baton Rouge, LA 70810
(225) 755-7500

GOVERNING BOARD

As of June 30, 2011

Nursing Educators

Larry J. Haley, MSN, CRNA
Patricia Prechter, RN, Ed. D
Sue Westbrook, DNS, MA, RN

Nursing Administrators

Patricia R. Johnson, RN, MN, CNAA
Jolie E. Harris, MSN, RN, NEA-BC

Other Areas of Nursing

Carlene MacMillan, RN, MN
Nancy L. Davis, RN, MA
Demetrius J. Porche, DNS, APRN, Ph. D, FNP

Advanced Practice Nursing

Lucie J. Agosta, Ph. D, RNC

Non-Voting Medical Doctors

Robert Bass, MD
William St. John LaCorte, MD

Barbara Morvant, Executive Director

LOUISIANA STATE BOARD OF NURSING
17373 Perkins Rd.
Baton Rouge, LA 70810
(225) 755-7500

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board Members of
Louisiana State Board of Nursing
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana State Board of Nursing, a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, as listed in the Table of Contents. These basic financial statements are the responsibility of Louisiana State Board of Nursing's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position and the results of operations and cash flows of the Louisiana State Board of Nursing, as of June 30, 2011, and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2011, on our consideration of the Louisiana State Board of Nursing's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana State Board of Nursing's basic financial statements. The accompanying required supplementary information, which consists of the Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic

financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and therefore express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana State Board of Nursing's basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana State Board of Nursing. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Malcolm M. Dienes, L.L.C.

August 30, 2011

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REQUIRED SUPPLEMENTAL INFORMATION
Management's Discussion and Analysis

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

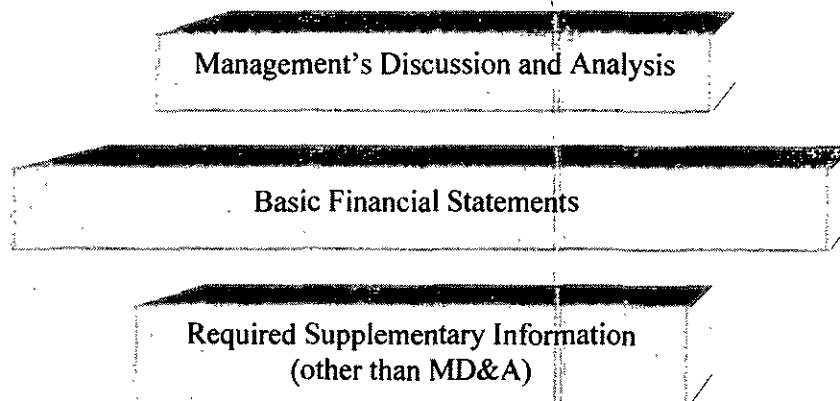
Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of Louisiana State Board of Nursing's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Louisiana State Board of Nursing's financial statements, which begins on page 16.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Nursing's assets exceeded its liabilities at the close of fiscal year 2011 by \$9,625,019, which represents a 4.15% increase from last fiscal year. The net assets increased by \$383,794.
- ★ The Louisiana State Board of Nursing's revenue increased \$149,050 (or 2.8%) and the net results from activities decreased by \$323,845 (or 45.8%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Nursing is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Louisiana State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how Louisiana State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
as of June 30, 2011 and 2010**

	Total	
	2011	2010
Current and other assets	\$ 8,043,308	\$ 7,303,432
Capital assets	3,447,316	3,587,667
Total assets	11,490,624	10,891,099
Current and other liabilities	284,333	341,728
Non-current liabilities	1,581,272	1,308,146
Total liabilities	1,865,605	1,649,874
Net assets:		
Invested in capital assets, net of debt	3,447,316	3,587,667
Restricted	-	-
Unrestricted	6,177,703	5,653,558
Total net assets	\$ 9,625,019	\$ 9,241,225

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Louisiana State Board of Nursing increased by \$383,794, or 4.15%, from June 30, 2010 to June 30, 2011.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2011 and 2010**

	<u>Total</u>	
	<u>2011</u>	<u>2010</u>
Operating revenues	\$ 5,555,235	\$ 5,387,930
Operating expenses	<u>5,182,618</u>	<u>4,660,119</u>
Operating income (loss)	<u>372,617</u>	<u>727,811</u>
Non-operating revenues	11,177	29,432
Non-operating expenses	<u>-</u>	<u>(49,604)</u>
Income (loss) before transfers	<u>383,794</u>	<u>707,639</u>
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Net increase (decrease) in net assets	<u>\$ 383,794</u>	<u>\$ 707,639</u>

The Louisiana State Board of Nursing's total revenues increased by \$149,050 or 2.8%. The total cost of all programs and services increased by \$472,895 or 10.0%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2011, the Louisiana State Board of Nursing had \$3,447,316 invested in a broad range of capital assets, including land, building, and equipment (see accompanying table). This amount represents a net decrease (including additions and deductions) of \$140,351, or 3.91%, under last year. There were no major additions during the year.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

Capital assets consisted of the following as of June 30, 2011 and 2010:

	2011	2010
Land	\$ 1,150,000	\$ 1,150,000
Buildings and Improvements	2,166,898	2,227,223
Equipment	130,418	210,444
Totals	<u>\$ 3,447,316</u>	<u>\$ 3,587,667</u>

Debt

The Louisiana State Board of Nursing had no bonds and notes outstanding at year-end June 30, 2011 and June 30, 2010, as shown in the accompanying table.

	2011	2010
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>

Other obligations of the Louisiana State Board of Nursing at June 30, 2011 include accrued vacation pay in the amount of \$197,233 and other postemployment benefits obligations of \$1,384,039. The Louisiana State Board of Nursing had no claims or judgments outstanding at year-end June 30, 2011, and June 30, 2010.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$14,000 over budget and expenditures were approximately \$9,000 less than budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana State Board of Nursing's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

The Louisiana State Board of Nursing continues to see an increase in the volume and complexity of its work. Driving elements are the authority to conduct criminal background checks on all applicants for licensure, including students enrolled in clinical nursing courses. The recent addition of receiving updates

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

to previously requested criminal background requests (rap batch) information from the Louisiana Department of Public Safety has resulted in an increase in the number of investigations, as the Louisiana State Board of Nursing is notified of any arrest of individuals previously fingerprinted for our application.

Further, the Board was urged by Louisiana State Senate resolution to establish a nursing center. Now in our second year of effort, the center has been established and a director hired. In collaboration with the Nursing Supply and Demand Commission, the Nursing Center is in the midst of launching a nursing demand survey utilizing a minimum national data set established by a forum of 33 state nurse workforce centers. This data will drive future initiatives to resolve the demand for nursing services in Louisiana. In 2010, the LSBN Nursing Center partnered with the state AARP to become a Regional Action Coalition for the Future of Nursing Initiative, a national movement to implement the recommendations of the Institute of Medicine's Report on the Future of Nursing.

With the expansion of the Nursing Center and the continued complexity of the application process, additional staff will be needed. Currently, we have grown to occupy all available space in our existing building. Projecting to the future, the Louisiana State Board of Nursing is exploring options for expansion. It is estimated that the Louisiana State Board of Nursing needs at least a 5,000-7,000 square foot expansion with an approximate cost of \$1.5-\$1.7 million dollars. LSBN has adapted through office sharing and remote placement of investigative staff. Discussions with architects will begin the latter part of 2011.

CONTACTING THE LOUISIANA STATE BOARD OF NURSING'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Nursing's finances and to show the Louisiana State Board of Nursing's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board office at (225)755-7500.

BASIC FINANCIAL STATEMENTS

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND

Statement of Net Assets
As of June 30, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 4,581,566
Investments	3,453,975
Receivables	946
Prepays	<u>6,821</u>

Total Current Assets 8,043,308

Property, Plant & Equipment, Net 3,447,316

TOTAL ASSETS 11,490,624

LIABILITIES

Current Liabilities

Accounts Payable	76,597
Accrued Payroll and Deductions	<u>207,736</u>

Total Current Liabilities 284,333

Noncurrent Liabilities

Compensated Absences	197,233
OPEB Payable	<u>1,384,039</u>

Total Noncurrent Liabilities 1,581,272

TOTAL LIABILITIES 1,865,605

NET ASSETS

Invested in Capital Assets	3,447,316
Unrestricted	<u>6,177,703</u>

TOTAL NET ASSETS \$ 9,625,019

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND

Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2011

OPERATING REVENUES

Charges for Services

Licenses, Permits and Fees	\$ 4,929,055
Examinations	293,300
Enforcement Actions	139,806
Other Operating Revenues	<u>193,074</u>
Total Operating Revenues	<u>5,555,235</u>

OPERATING EXPENSES

Personnel Services

Salaries	2,484,351
Employee Benefits	1,032,752
Commissioners per Diem	5,325
Travel	83,485
Operating Services	575,451
Supplies	199,270
Professional Services	661,633
Depreciation Expense	<u>140,351</u>
Total Operating Expenses	<u>5,182,618</u>

Operating Income	<u>372,617</u>
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NON-OPERATING REVENUES

Interest Income	<u>11,177</u>
Total Non-Operating Revenues	<u>11,177</u>

Change in Net Assets	<u>383,794</u>
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Total Net Assets, Beginning	<u>9,241,225</u>
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Total Net Assets, Ending	<u>\$ 9,625,019</u>
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The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended June 30, 2011

Cash Flows From Operating Activities	
Received from Customers	\$ 5,555,219
Payments for Operations	(1,357,046)
Payments to Employees	<u>(3,469,488)</u>
Net Cash Provided by Operating Activities	<u>728,685</u>
Cash Flows From Investing Activities	
Purchases of Investments	(3,735,485)
Proceeds from Sale of Investments	4,018,034
Interest Earned on Investments	<u>11,177</u>
Net Cash Provided by Investing Activities	<u>293,726</u>
Net Increase in Cash and Cash Equivalents	1,022,411
Cash and Cash Equivalents, Beginning of Year	<u>3,559,155</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,581,566</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 372,617
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation and Amortization	140,351
Increase in Accounts Receivable	(16)
Decrease in Accounts Payable for Operating Activities	(110,333)
Increase in Accrued Payroll for Operating Activities	52,940
Increase in Compensated Absences Payable	7,126
Increase in OPEB Payable	<u>266,000</u>
Net Cash Provided by Operating Activities	<u>\$ 728,685</u>

The accompanying notes are an integral part of this financial statement.

BASIC FINANCIAL STATEMENTS
Notes to the Financial Statements

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Louisiana State Board of Nursing (the Board) is a state board and component unit of the State of Louisiana reporting entity. The Board was created under the provisions of Louisiana Revised Statutes (R.S.) 37:911. The Board, as provided by R.S. 36:259(E), is under the supervision and control of the Louisiana Department of Health and Hospitals. The Board is composed of eleven (11) members appointed by the Governor of Louisiana for a term of four (4) years. The Board consists of nine (9) registered nurses selected from a list submitted by the Louisiana State Nurses Association and two (2) physicians from a list submitted by the Louisiana State Medical Society, who serve as ex officio members of the Board as advisors and have no voting privileges. The nine (9) nurses are composed of the following:

1. Two (2) nursing service administrators
2. Three (3) nursing educators
3. Three (3) engaged in other areas of nursing practice
4. One (1) advanced practice registered nurse

The Board elects from its members a president, vice president, and such other officers as it considers necessary to carry out the duties and functions of the Board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the Board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs). At June 30, 2011, approximately 55,107 registered nurses and 3,705 APRNs were licensed.

The Board's office is located in Baton Rouge, Louisiana, and as of June 30, 2011, employed 47 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

1.B. FINANCIAL REPORTING ENTITY

The financial statements of the Board have been prepared in accordance with accounting principles

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.B. FINANCIAL REPORTING ENTITY (CONTINUED)

generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board, (GASB), is the standard setting body for governmental accounting and reporting. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*. The accompanying financial statements have been prepared in accordance with such principles. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Section 2100 of the GASB Codification, *Defining the Financial Reporting Entity*, has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Nursing is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

1.C. BASIS OF PRESENTATION

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents, Investments

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings, and certificates of deposit of the Board with an original maturity of three months or less.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses, enforcement actions and interest which are accrued when earned.

Prepays

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets and Depreciation

Proprietary fund fixed assets (tangible and intangible) are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Type of Asset</u>	<u>Useful Lives</u>
Computer Software	5
Equipment	3 – 20
Improvements	10 – 50

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.D. ASSETS, LIABILITIES AND NET ASSETS (CONTINUED)

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees, or their heirs, are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term liability in the proprietary fund statements. The current portion of this liability has historically been immaterial to the financial statements taken as a whole, and, as such, the entire balance at June 30, 2011 has been reported as a noncurrent liability.

Equity Classifications

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets, net of related Debt – Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of "restricted" or "investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.E. REVENUES AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

1.F. OTHER ACCOUNTING POLICIES

Codification

In March 2009, the GASB issued GASB No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards (GASB 56). GASB 56 establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations. This statement does not establish new accounting standards but rather incorporates the existing guidance into the GASB standards. Effective for the year ending June 30, 2011, the Board implemented GASB 56. This did not have an impact on the financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required separate funds.

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e),

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS (CONTINUED)

all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the Board of Directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board's investment policy.

NOTE 3 - DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenses.

3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law, the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts or federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased are considered to be cash equivalents.

At June 30, 2011, the Board had cash and cash equivalents (book balances) as follows:

Unrestricted Cash	<u>\$ 4,581,566</u>
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Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 3 - DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

The deposits at June 30, 2011, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits at June 30, 2011 (bank balances)	\$ 4,625,178	\$ -	\$ 4,625,178
Bank Balances Insured by FDIC	250,000	-	250,000
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized	-	-	-
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	4,375,178	-	4,375,178
Total Bank Balances - All Deposits	<u>\$ 4,625,178</u>	<u>\$ -</u>	<u>\$ 4,625,178</u>

3.B. INVESTMENTS

At June 30, 2011, the Board had investments with maturities as follows:

	<u>Fair Value</u>	<u>Maturity</u>
U.S. Government Obligations	\$ 1,847,668	Less than one Year
U.S. Agency Obligations	1,606,307	Less than one Year
	<u>\$ 3,453,975</u>	

The Board limits its interest rate risk by limiting its investing to securities with terms of one year or less. Credit risk is managed by limiting investments to those allowed under state law, which includes instruments issued by state or Federal governments.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 3 - DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

3.C. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2011, was as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2011</u>
Capital Assets, not being depreciated				
Land	\$ 1,150,000	\$ -	\$ -	\$ 1,150,000
Total Capital Assets, not being depreciated	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>1,150,000</u>
Capital Assets, being depreciated				
Equipment	411,390	-	(10,394)	400,996
Building	2,407,996	-	-	2,407,996
Furniture and Fixtures	57,533	-	-	57,533
Total Capital Assets, being depreciated	<u>2,876,919</u>	<u>-</u>	<u>(10,394)</u>	<u>2,866,525</u>
Accumulated Depreciation				
Equipment	(241,218)	(74,274)	10,394	(305,098)
Building	(180,773)	(60,324)	-	(241,097)
Furniture and Fixtures	(17,261)	(5,753)	-	(23,014)
Total Accumulated Depreciation	<u>(439,252)</u>	<u>(140,351)</u>	<u>10,394</u>	<u>(569,209)</u>
Total Capital Assets, net	<u>\$ 3,587,667</u>	<u>\$ (140,351)</u>	<u>\$ -</u>	<u>\$ 3,447,316</u>

3.C. ACCOUNTS PAYABLE

Payables are composed of payables to vendors and accrued salaries and benefits in the amounts of \$76,597 and \$207,736, respectively.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 3 - DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

3.D. NON-CURRENT LIABILITIES

As of June 30, 2011, the Non-Current Liabilities of the Board consisted of the following:

	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Totals</u>
Compensated Absences	\$ -	\$ 197,233	\$ 197,233
OPEB Payable	-	1,384,039	1,384,039
Total Non-Current Liabilities	<u>\$ -</u>	<u>\$ 1,581,272</u>	<u>\$ 1,581,272</u>

Changes in Non-Current Liabilities

The following is a summary of changes in Non-Current Liabilities for the year ended June 30, 2011:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Accrued Compensated Absences	\$ 190,107	\$ 42,865	\$ (35,739)	\$ 197,233
OPEB Payable	1,118,039	309,220	(43,220)	1,384,039
Total Non-Current Liabilities	<u>\$ 1,308,146</u>	<u>\$ 352,085</u>	<u>\$ (78,959)</u>	<u>\$ 1,581,272</u>

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, LA 70804 or by calling (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary for those hired before July 1, 2006, and 8.0% of gross salary for those hired after July 1, 2006. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2011 was 22% of annual covered payroll from the 18.6% and 18.5% in fiscal years ended June 30, 2010 and 2009 respectively. The board contribution to the System for the years ending June 30, 2011, 2010 and 2009 were \$485,227, \$341,340, and \$319,923, respectively, which were equal to the required contributions each year, respectively.

Post Employment Health Care and Life Insurance Benefits

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits once they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the years ended June 30, 2011, 2010, and 2009, the cost for providing these benefits for eight (8) retirees

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS (CONTINUED)

Post Employment Health Care and Life Insurance Benefits (Continued)

totaled \$43,220, \$38,322, and \$42,826, respectively.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan (Plan) adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide Plan are available in the financial statements of the State of Louisiana. Currently, the Board makes no matching contributions to the Plan.

4.B. ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

4.C. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and life, and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.C. RISK MANAGEMENT (CONTINUED)

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.E. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$75 for each day and actual reimbursement for travel expense while they are engaged in the discharge of their duties.

<u>Commissioner</u>	<u>No. of Days</u>	<u>Amount</u>
Robert A. Bass	2	\$ 150
Larry J. Haley	8	600
Nancy L. Davis	1	75
Jolie E. Harris	6	450
Patricia R. Johnson	2	150
Carllene MacMillan	19	1,425
Debbie Olds	8	600
Demetrius Porche	3	225
Patricia M. Prechter	9	675
Sue Westbrook	13	975
Total		<u>\$ 5,325</u>

4.F POST EMPLOYMENT HEALTH CARE PLAN

Substantially all Board employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Board. At June 30, 2011, eight (8) retirees were receiving post-employment benefits.

Plan Description

The Board's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.F POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Plan Description (Continued)

The State administers the OPEB Plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the OPEB Plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The contribution requirements of OPEB Plan members and the Board are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay as you go basis through a combination of retiree and Board contributions. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the OPEB Plan and if the member has Medicare coverage. The Office of Group Benefits (OGB) offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, and the Medical Home HMO Plan (MHHP). Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare supplemental plans.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.F POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Funding Policy (Continued)

The following is a summary of OPEB Plan provisions:

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Percentage</u>	<u>Employee Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total monthly per capita premium equivalent rates for the year ended June 30, 2011 were as follows:

	<u>PPO</u>	<u>HMO</u>	<u>MHHP</u>
Single Active	\$ 558.64	\$ 527.76	\$ 532.00
Retired without Medicare			
Single	1,039.28	985.00	989.52
With Spouse	1,835.20	1,739.24	1,747.60
Retired with 1 Medicare			
Single	337.96	325.88	321.84
With Spouse	1,248.72	1,190.92	1,189.00
Retired with 2 Medicare			
With Spouse	607.48	584.12	578.28

All members who retire on or after July 1, 1997 must have Medicare Parts A and B in order to qualify for the reduced premium rates.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.F POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Funding Policy (Continued)

The monthly premium rates for Medicare Supplement Plans are:

	Retired With	
	<u>1 Medicare</u>	<u>2 Medicare</u>
Humana PPO	\$ 149.00	\$ 298.00
Humana HMO	145.00	290.00
Peoples Health HMO	115.00	230.00
Secure Horizons	198.50	397.00
Vantage HMO	258.00	516.00

OGB also provides eligible retirees Basic Term Life Insurance in the following amounts:

	<u>Amount</u>
Under age 65	\$ 5,000
Ages 65-70	\$ 4,000
After age 70	\$ 3,000

Additional supplemental life insurance based on pay at retirement is available. Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available. Retirees pay \$0.50 for each \$1,000 of life insurance coverage and \$0.88 for each \$1,000 of spouse life insurance coverage.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.F POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Annual OPEB Cost

The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with Section P50 of the GASB Codification, *Postemployment Benefit Plans Other than Pension Plans – Defined Benefit*. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2010, is \$307,200 as set forth below:

Normal Cost	\$ 186,500
30-year UAL amortization amount	110,000
Interest on the above	10,700
Annual required contribution (ARC)	<u>\$ 307,200</u>

The following table presents the Board's OPEB Obligation for the year ended June 30, 2011:

Beginning Net OPEB Obligation July 1, 2010 (NOO)	\$ 1,118,039
Annual required contribution	307,200
Interest on NOO	44,720
ARC Adjustment	<u>(42,700)</u>
Current Annual OPEB Cost	309,220
Contributions made	(43,220)
Claim costs	-
Ending Net OPEB Obligation June 30, 2011	<u>\$ 1,384,039</u>

Utilizing the pay-as-you-go method, the Board contributed 13.98%, 11.30%, and 9.23% of the annual post employment benefits cost during the years ended June 30, 2011, 2010, and 2009, respectively. The annual OPEB costs for the years ended June 30, 2010 and 2009 amounted to \$339,080 and \$463,681, respectively. The Ending Net OPEB Obligation for the years ended June 30, 2010 and 2009 amounted to \$1,118,039 and \$817,281, respectively.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.F POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Funded Status and Funding Progress

In the year ended June 30, 2011, the Board made no contributions to its post employment benefits plan trust. A trust was established during the year ended June 30, 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial liability of \$2,879,500 was unfunded.

The funded status of the plan as of July 1, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 2,879,500
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,879,500</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 1,769,900
UAAL as a percentage of covered payroll	163%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 4 - OTHER NOTES (CONTINUED)

4.F POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.0% and 9.1% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2010 was thirty years.

4.G SUBSEQUENT EVENTS

Management has evaluated events through the date that the financial statements were available to be issued, August 30, 2011, and determined that there were no events that require disclosure.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board Members of
Louisiana State Board of Nursing
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of the Louisiana State Board of Nursing (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, and have issued our report thereon dated August 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Louisiana State Board of Nursing and its management, the Louisiana Legislative Auditor, and the State of Louisiana, and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Malcolm M. Dienes, L.L.C.

August 30, 2011

LOUISIANA STATE BOARD OF NURSING

Schedule of Findings and Responses For the Year Ended June 30, 2011

We have audited the basic financial statements of the Louisiana State Board of Nursing as of and for the year ended June 30, 2011, and have issued our report thereon dated August 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011, resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued? ☐ Yes ☒ No

B. Federal Awards ☒ Not Applicable

Internal Control

Material Weaknesses ☐ Yes ☐ No Reportable Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

C. Identification of Major Programs:

CFDA Number(s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

LOUISIANA STATE BOARD OF NURSING

**Schedule of Findings and Responses (Continued)
For the Year Ended June 30, 2011**

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

NONE

LOUISIANA STATE BOARD OF NURSING

Schedule of Prior Year Findings For the Year Ended June 30, 2011

Section I Internal Control and Compliance Material to Financial Statements

NONE

Section II Internal Control and Compliance Material to Federal Awards

NONE

Section III Management Letter

Budget Submittals

Issue: During our review of the budgeting preparation, review, approval, and submittal process, we noted that the Board approved original and amended versions of the budget did not match the original and amended versions of the budget which were submitted to the Joint Legislative Committee on Budgeting.

Recommendation: To strengthen controls, procedures should be set in place where budgets being prepared for submittal to the Joint Legislative Committee on Budgeting should be detail reviewed and compared line by line to the Board approved version of the budget by someone independent of the budget preparation and submittal process to ensure accurate and correct data is transmitted.

Management's Response: Management is in agreement with the above recommendation and intends to incorporate the controls, effective immediately, into the budgeting process in order to ensure accurate reporting is performed.

Current Year Status: The June 30, 2011 Board approved amended budget matched the version submitted to the Joint Legislative Committee on Budgeting and results of testing indicate procedures have been put in place to ensure accurate and correct data transmittal.

SUPPLEMENTAL INFORMATION REQUIRED BY

**STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING
AND ACCOUNTING POLICY**

Louisiana State Board of Nursing
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2011

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
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Statement of Activities (See Also Instructions for Simplified Statement of Activities)	C
Statement of Cash Flows	D

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- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (See OSRAP Memo 11-36, Appendix A)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Other Postemployment Benefits (Additional information in OSRAP Memo 11-36, Appendix D)
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Revenues or Receivables – Pledged or Sold (GASB 48) (See OSRAP Memo 11-36, Appendix E)
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets

- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation (See OSRAP Memo 11-36, Appendix C)
- CC. Impairment of Capital Assets (See OSRAP Memo 11-36, Appendix B)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. American Recovery and Reinvestment Act (ARRA)

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see OSRAP Memo 11-36 Appendix F)

See the Appendix Packet on our Website (OSRAP Memo 11-36)

ROY HEBERT
CERTIFIED PUBLIC ACCOUNTANT

7938 GOODWOOD BOULEVARD
BATON ROUGE, LOUISIANA 70806-7629
(225) 927-7555
(225) 927-7556 FAX
ROYABEAR@BELLSOUTH.NET

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Louisiana State Board of Nursing
Baton Rouge, Louisiana

I have compiled the balance sheet of the Louisiana State Board of Nursing as of June 30, 2011, and the related statements of revenues, expenses, and changes in fund net assets, activities, and cash flows for the year then ended included in the accompanying prescribed form. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy and is not intended to be and should not be used by anyone other than this specified party.



Roy Hebert, CPA

July 28, 2011

Annual Financial Statements
Fiscal Year Ended June 30, 2011

LOUISIANA STATE BOARD OF NURSING
17373 PERKINS ROAD
BATON ROUGE, LOUISIANA 70810-3822

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

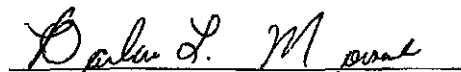
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

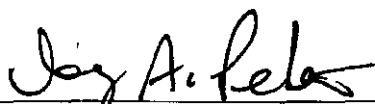
LLAFileroom@lla.la.gov.

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Barbara L. Morvant, Executive Director of the Louisiana State Board of Nursing who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana State Board of Nursing at June 30, 2011, and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 23rd day of August, 2011.


Signature of Agency Official


NOTARY PUBLIC
BAR ROLL #19101

Prepared by: Roy Hebert

Title: Certified Public Accountant

Telephone No.: 225.927.7555

Date: July 28, 2011

Email Address: royabear@bellsouth.net

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of Louisiana State Board of Nursing's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Louisiana State Board of Nursing's financial statements, which begin on page 6.

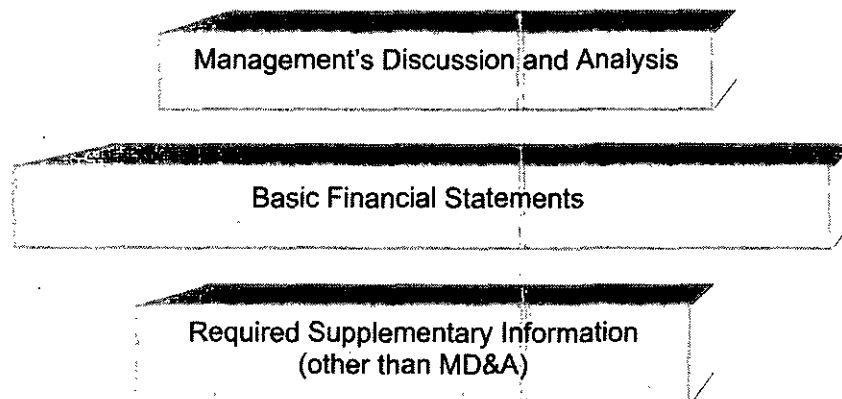
FINANCIAL HIGHLIGHTS

★ The Louisiana State Board of Nursing assets exceeded its liabilities at the close of fiscal year 2011 by \$9,625,019, which represents a 4.15% increase from last fiscal year. The net assets increased by \$383,795.

★ The Louisiana State Board of Nursing's revenue increased \$149,052 (or 2.8%) and the net results from activities decreased by \$323,842 (or 45.8%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

The Balance Sheet (page 6) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Nursing is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 7) presents information showing how the Louisiana State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 9-10) presents information showing how the Louisiana State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of June 30, 2011 and 2010 (in thousands)		
	Total	
	2011	2010
Current and other assets	\$ 8,043,308	\$ 7,315,666
Capital assets	3,447,316	3,587,677
Total assets	11,490,624	10,903,343
Other liabilities	284,332	353,963
Long-term debt outstanding	1,581,272	1,308,146
Total liabilities	1,865,604	1,662,109
Net assets:		
Invested in capital assets, net of debt	3,447,316	3,587,667
Restricted		
Unrestricted	6,177,703	5,653,557
Total net assets	\$ 9,625,019	\$ 9,241,224

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Louisiana State Board of Nursing increased by \$383,795, or 4.15%, from June 30, 2010 to June 30, 2011.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2011 and 2010
(in thousands)**

	Total	
	2011	2010
Operating revenues	\$ 5,555,236	\$ 5,387,930
Operating expenses	5,182,618	4,660,120
Operating income(loss)	372,618	727,810
Non-operating revenues	11,177	29,432
Non-operating expenses *	-	(49,604)
Income(loss) before transfers	383,795	707,638
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 383,795	\$ 707,638

* Enter expenses as a negative amount

The Louisiana State Board of Nursing's total revenues increased by \$149,052 or 2.8%. The total cost of all programs and services increased by \$472,894 or 10.0%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2011, the Louisiana State Board of Nursing had \$3,447,316 invested in a broad range of capital assets, including land, building, and equipment (see accompanying Table). This amount represents a net decrease (including additions and deductions) of \$140,352, or 3.91%, under last year. There were no major additions during the year.

	2011	2010
Land	\$ 1,150,000	\$ 1,150,000
Buildings and improvements	2,166,898	2,227,223
Equipment	130,418	210,444
Infrastructure		
Intangible Assets		
Totals \$	3,447,316	\$ 3,587,667

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

Debt

The Louisiana State Board of Nursing had no bonds and notes outstanding at year-end June 30, 2011, and June 30, 2010, as shown in the accompanying table.

Outstanding Debt at Year-end (in thousands)		
	2011	2010
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	-	-
Totals \$	-	-

The Louisiana State Board of Nursing had no claims and judgments outstanding at year-end June 30, 2011, and June 30, 2010. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$14,000 over budget and expenditures were approximately \$9,000 less than budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana State Board of Nursing's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

The Louisiana State Board of Nursing continues to see an increase in the volume and complexity of its work. Driving elements are the authority to conduct criminal background checks on all applicants for licensure, including students enrolled in clinical nursing courses. The recent addition of receiving updates to previously requested criminal background requests (rap batch) information from the Louisiana Department of Public Service has resulted in an increase in the number of investigations, as the Louisiana State Board of Nursing is notified of any arrest of individuals previously fingerprinted for our application.

Further, the Board was urged by Louisiana State Senate resolution to establish a nursing center. Now in our second year of effort, the center has been established and a director hired. In collaboration with the Nursing Supply and Demand Commission, the Nursing Center is in the midst of launching a nursing demand survey utilizing a minimum national data set established by a forum of 33 state nurse workforce centers. This data will drive future initiatives to resolve the demand for nursing services in Louisiana. In 2010, the LSBN Nursing Center partnered with the state AARP to become a Regional Action Coalition for the Future of Nursing Initiative, a national movement to implement the recommendations of the Institute of Medicine's Report on the Future of Nursing.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2011**

With the expansion of the Nursing Center and the continued complexity of the application process, additional staff will be needed. Currently, we have grown to occupy all available space in our existing building. Projecting to the future, the Louisiana State Board of Nursing is exploring options for expansion. It is estimated that the Louisiana State Board of Nursing needs at least a 5,000-7,000 square foot expansion with an approximate cost of \$1.5-\$1.7 million dollars. LSBN has adapted through office sharing and remote placement of investigative staff. Discussions with architects will begin the later part of 2011.

CONTACTING THE LOUISIANA STATE BOARD OF NURSING'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Nursing's finances and to show the Louisiana State Board of Nursing's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board office at (225)755-7500.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
BALANCE SHEET
AS OF JUNE 30, 2011**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 4,581,566
Restricted Cash and Cash Equivalents	
Investments	3,453,975
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	946
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	6,821
Notes receivable	
Other current assets	
Total current assets	8,043,308

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	1,150,000
Buildings and improvements	2,166,898
Machinery and equipment	130,418
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	
Total noncurrent assets	3,447,316
Total assets	\$ 11,490,624

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 76,598
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	207,735
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	284,333

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	197,233
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	1,384,039
Other long-term liabilities	
Total noncurrent liabilities	1,581,272
Total liabilities	1,865,605

NET ASSETS

Invested in capital assets, net of related debt	3,447,316
Restricted for:	
Capital projects	
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	6,177,703
Total net assets	9,625,019
Total liabilities and net assets	\$ 11,490,624

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

Statement B

OPERATING REVENUE	
Sales of commodities and services	\$
Assessments	139,806
Use of money and property	
Licenses, permits, and fees	5,222,405
Other	193,025
Total operating revenues	5,555,236
OPERATING EXPENSES	
Cost of sales and services	
Administrative	5,042,267
Depreciation	140,351
Amortization	
Total operating expenses	5,182,618
Operating income(loss)	372,618
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	11,177
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	11,177
Income(loss) before contributions, extraordinary items, & transfers	383,795
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	383,795
Total net assets -- beginning	9,241,224
Total net assets -- ending	\$ 9,625,019

The accompanying notes are an integral part of this financial statement.

INSTRUCTIONS FOR THE SIMPLIFIED STATEMENT OF ACTIVITIES

Expenses - include all expenses, both operating and non-operating.

Program Revenues - include revenues derived from the program itself. These revenues reduce the net cost of the BTA's activities that must be financed from its general revenues. Program revenues should be reported in the following three categories:

Charges for services - include revenues based on exchange or exchange-like transactions. (An exchange transaction is one in which each party receives and gives up essentially equal values.) These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services.

Operating grants and contributions - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that may be used **either for operating or capital expenses** at the discretion of the BTA. (A non-exchange transaction is one in which an entity gives or receives value without directly receiving or giving equal value in return.)

Capital grants and contributions - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that are **restricted for capital purposes only** - to purchase, construct, or renovate capital assets associated with a specific program.

Net (Expense) Revenue - program revenues minus expenses.

General Revenues - all revenues are general revenues unless they are specifically required to be reported as program revenues.

Taxes - include all taxes received here, as all are considered general revenues, even those levied for a specific purpose.

State appropriations - include warrants drawn during the fiscal year and the 13th period, plus 14th period if applicable.

Grants and contributions not restricted to specific programs - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are not restricted to a specific program.

Interest - any interest earned that is not required to be reported as program revenue (earnings on investments legally restricted to use by a specific program should be reported as program revenue).

Miscellaneous - any general revenues that do not specifically fall under one of the categories listed.

Special items - significant items subject to management's control that meets one of the following criteria:

- 1) unusual in nature - possessing a high degree of abnormality and clearly unrelated or only incidentally related to the ordinary and typical activities of the entity.
- 2) infrequent in occurrence - not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

Extraordinary items - are both significant in nature and infrequent in occurrence.

Transfers - all interfund activities involving the flow of resources between funds.

Change in net assets - net (expense) revenue plus general revenues and special items.

Net assets - beginning - net assets at the beginning of the fiscal year.

Net assets - ending - beginning net assets plus change in net assets.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Statement C

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 5,182,618	\$ 5,555,236	\$	\$	\$ 372,618
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					11,177
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					11,177
Change in net assets					383,795
Net assets - beginning as restated					9,241,224
Net assets - ending					\$ 9,625,019

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D
(continued)**

Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>728,684</u>
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>-</u>
Cash flows from investing activities		
Purchases of investment securities	(3,735,485)	
Proceeds from sale of investment securities	4,018,036	
Interest and dividends earned on investment securities	11,177	
Net cash provided(used) by investing activities		<u>293,728</u>
Net increase(decrease) in cash and cash equivalents		<u>1,022,412</u>
Cash and cash equivalents at beginning of year		<u>3,559,154</u>
Cash and cash equivalents at end of year		<u>\$ 4,581,566</u>

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ 372,618
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	140,351
Provision for uncollectible accounts	
Other	
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	(16)
(Increase)decrease in due from other funds	
(Increase)decrease in prepayments	
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	(57,395)
Increase(decrease) in compensated absences payable	7,126
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	
Increase(decrease) in OPEB payable	266,000
Increase(decrease) in other liabilities	
Net cash provided(used) by operating activities	\$ 728,684

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	\$ -

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

INTRODUCTION

The Louisiana State Board of Nursing was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 39:91. The following is a brief description of the operations of the Louisiana State Board of Nursing and includes the parish/parishes in which the Louisiana State Board of Nursing is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana State Board of Nursing present information only as to the transactions of the programs of the Louisiana State Board of Nursing as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana State Board of Nursing are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2011

The appropriations made for the operations of the various programs of the Louisiana State Board of Nursing are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>5,735,450</u>
Amendments:	<u>(183,200)</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>5,552,250</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 11-36, Appendix A, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2011, consisted of the following:

Bank balances exposed to custodial credit risk:	\$		\$		\$		\$	
a. Uninsured and uncollateralized								
b. Uninsured and collateralized with securities held by the pledging institution								
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's		4,375,178					4,375,178	

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. Capital One Bank	Operating account	\$ 4,039,914
2. Capital One Bank	Center for Nursing	6,968
3. Capital One Investments, LLC	Money market account	578,296
4.		
Total		\$ 4,625,178

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Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ <u>None</u>
Petty cash	\$ <u>None</u>

2. INVESTMENTS

The Louisiana State Board of Nursing does/does not maintain investment accounts as authorized by the State of Louisiana.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

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<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix A, Memo 11-36 for the definition of US Government Obligations)

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

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Rating Agency	Rating	Fair Value
		\$
	Total	\$ -

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments, unless you have an external investment pool as discussed in OSRAP Memo 11-22.)

Type of Debt Investment	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$ 1,847,315	\$ 1,847,315	\$ -	\$ -	\$ -
U.S. Agency obligations	1,606,660	1,606,660	-	-	-
Mortgage backed securities	-	-	-	-	-
Collateralized mortgage obligations	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Other bonds (describe)	-	-	-	-	-
Mutual bond funds	-	-	-	-	-
Other	-	-	-	-	-
Total debt investments	\$ 3,453,975	\$ 3,453,975	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See OSRAP Memo 11-36, Appendix A, for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment	Fair Value	Terms
	\$	
Total	\$	

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C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

Issuer	Amount	% of Total Investments
	\$	
Total	\$ -	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$ -	\$ -

4. DERIVATIVES (GASB 53)

A. Summary of Derivative Instruments

Complete the following table, "Summary of Derivative Instruments" for all derivative instruments held by the entity at June 30, 2011. If no derivative instruments were held by the entity at June 30, please state "None".

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Summary of Derivative Instruments

Type	Notional	Changes in Fair Value		Fair Value at June 30	
		Classification	Amount	Classification	Amount *
<u>Investment Derivative Instruments:</u>			\$		\$
<u>Fair Value Hedges:</u>			\$		\$
<u>Cash Flow Hedges:</u>			\$		\$

*If fair value is based on other than quoted market prices, the methods and significant assumptions used to estimate those fair market values should be disclosed.

B. Investment Derivative Instruments

Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. Separately list each investment derivative instrument included in the table above and discuss the exposure to risk from these investments for the following risks:

1. Credit Risk of Investment Derivative Instruments

2. Interest Rate Risk of Investment Derivative Instruments

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

Disclose the reference rate for each investment derivative instrument along with any embedded options

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3. Foreign Currency Risk of Investment Derivative Instruments

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$	\$

4. Reclassification from Hedging Derivative Instrument to Investment Derivative Instrument

<u>Item Reclassified</u>	<u>Notional Amount</u>	<u>Ineffective @</u>	<u>Fair Value @</u>	<u>Ineffective @</u>	<u>Fair Value @</u>	<u>Change in Fair</u>
		<u>6/30/11</u>		<u>6/30/10</u>		<u>Value @</u>
		<u>(Y/N)</u>	<u>6/30/11</u>	<u>(Y/N)</u>	<u>6/30/10</u>	<u>6/30/11</u>
						-
						-
						-
						-

C. Hedging Derivative Instruments

Complete the following table- Terms and Objectives of Hedging Derivative Instruments - for all hedging derivative instruments held by the entity at June 30, 2011.

<u>Terms and Objectives of Hedging Derivative Instruments</u>						
<u>Type</u>	<u>Notional</u>	<u>Objective</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms *</u>	<u>Counterparty Credit Rating</u>

*Terms include reference rates, embedded options, and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.

Interest rates and the various swap indices change over time. Use the schedule below to summarize payments on the swap and interest payments to bondholders for applicable hedging derivative instruments.

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List each hedging derivative separately, and discuss the exposure to risk from these hedges for the following risks:

Hedging Derivative Instrument	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		

1. Credit Risk of Hedging Derivative Instruments

2. Interest Rate Risk of Hedging Derivative Instruments

Hedging Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

3. Basis Risk of Hedging Derivative Instruments

4. Termination Risk of Hedging Derivative Instruments

5. Rollover Risk of Hedging Derivative Instruments

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6. Market-Access Risk of Hedging Derivative Instruments

7. Foreign Currency Risk of Hedging Derivative Instruments

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$	\$

If any hedged items are a debt obligation, then its net cash flows are required to be disclosed in accordance with GASB Statement No. 38, paragraphs 10 – 11. This information, if applicable, should be provided below, and will be included in Note 8 of the CAFR.

Using the following chart, provide the principal and interest requirements to maturity for those hedged items that are a debt obligation. If your fiscal year ends other than June 30, change the date within the table. If the number of years for your debt to terminate exceeds the years listed, add those years to the table (in 5 year increments).

Debt and Lease Obligations for Hedged Debt (per GASB 38, paragraph 10)

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivative</u> <u>Instruments, Net</u>	<u>Total</u>
2012	\$	\$	\$	\$
2013				
2014				
2015				
2016				
2017-2021				
2022-2026				
2027-2031				
2032-2036				
2037-2041				
Total				

Note: The hedging derivative column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

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List any terms by which the interest rates change for variable-rate debt.

Using the following chart, provide the future minimum lease payments for those hedged items that are obligations under capital and noncancelable operating leases (per GASB 38, paragraph 11). If your fiscal year ends other than June 30, change the date within the table. If the number of years for your lease extends beyond the years listed, add those years to the table (in 5 year increments).

Fiscal Year Ending June 30	Minimum Future Lease Payment
2012	\$
2013	
2014	
2015	
2016	
2017-2021	
2022-2026	
2027-2031	
2032-2036	
2037-2041	
Total	-

If effectiveness is determined by another quantitative method not identified in GASB Statement No. 53, provide the identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

D. Contingent Features

Disclose any contingent features that are included in derivative instruments held at the end of the reporting period. The required disclosures include (1) the existence and nature of contingent features and the circumstances in which the features could be triggered, (2) the aggregate fair value of derivative instruments that contain those features, (3) the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities, and (4) the amount, if any, that has been posted as collateral by the government as of the end of the reporting period.

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E. Hybrid Instruments

If your entity has any hybrid instruments, disclosure of the companion instrument should be consistent with disclosures required of similar transactions. List any hybrid instruments below and provide information regarding any hybrid instruments and a reference to where the required disclosures can be found. If the required disclosures are not presented elsewhere, provide those disclosures below. If your entity does not have any hybrid instruments, state "None".

F. Synthetic Guaranteed Investment Contracts (SGICs)

If your entity has a fully benefit-responsive SGIC, then a description of the nature of the SGIC and the SGIC's fair value (including separate disclosure of the fair value of the wrap contract and the fair value of the corresponding underlying investments) should be disclosed as of the end of the reporting period. Provide those required disclosures below. If your entity does not have any, state "None".

5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

The policy of the Louisiana State Board of Nursing is to invest only in U.S. government obligations or mortgage backed securities with maturities of one year or less.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds

b. Securities underlying reverse repurchase agreements _____

c. Unrealized investment losses _____

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d. Commitments as of June 30, 2011, to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold

2. Description of the terms of the agreement

e. Losses during the year due to default by counterparties to deposit or investment transactions

f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year

Reverse Repurchase Agreements as of Year-End

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest

j. Commitments on June 30, 2011, to repurchase securities under yield maintenance agreements

k. Market value on June 30, 2011, of the securities to be repurchased

l. Description of the terms of the agreements to repurchase

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- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures (GASB 31)

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

Land and Other Real Estate Held as Investments by Endowments (GASB 52)

- v. The Louisiana State Board of Nursing owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

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D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

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Schedule of Capital Assets (includes capital leases)

University/System	Balance 6/30/2010	Prior Period Adjustments	Restated Balance 6/30/2010	Additions	Reclassifi- cation of CIP	** Retirements	Balance 6/30/2011
Capital assets not depreciated:							
Land	\$ 1,150,000	\$ -	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 1,150,000
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 1,150,000	\$ -	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 1,150,000
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	2,407,995	-	2,407,995	-	-	-	2,407,995
** Accumulated depreciation	(180,773)	-	(180,773)	(60,324)	-	-	(241,097)
Total buildings	2,227,222	-	2,227,222	(60,324)	-	-	2,166,898
Machinery & Equipment	468,922	-	468,922	-	-	(10,394)	458,528
** Accumulated depreciation	(258,477)	-	(258,477)	(80,027)	-	10,394	(328,110)
Total machinery & equipment	210,445	-	210,445	(80,027)	-	-	130,418
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 2,437,667	\$ -	\$ 2,437,667	\$ (140,351)	\$ -	\$ -	\$ 2,297,316
Capital asset summary:							
Capital assets not depreciated	\$ 1,150,000	\$ -	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 1,150,000
Other capital assets, book value	2,876,917	-	2,876,917	-	-	(10,394)	2,866,523
Total cost of capital assets	4,026,917	-	4,026,917	-	-	(10,394)	4,016,523
Accumulated depreciation/amortization	(439,250)	-	(439,250)	(140,351)	-	10,394	(569,207)
Capital assets, net	\$ 3,587,667	\$ -	\$ 3,587,667	\$ (140,351)	\$ -	\$ -	\$ 3,447,316

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number except for accumulated depreciation in the retirement column

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If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported.

E. INVENTORIES

The Louisiana State Board of Nursing inventories are valued using _____ (method of valuation – FIFO, LIFO, weighted average, moving average, specific identification, etc). These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the Louisiana State Board of Nursing at June 30, 2011, reflected at \$ _____ in the non-current assets section on Statement A, consist of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type of investments held.) State the purpose of the restrictions:

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana State Board of Nursing has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

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2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2011, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana State Board of Nursing are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time Louisiana State Board of Nursing employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available

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annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://lasers.websitegadget.com/uploads/LASERS_2010_CAFR.pdf

Members are required by state statute to contribute with the single largest group (“regular members”) contributing 7.5% of gross salary, and the Louisiana State Board of Nursing is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2011, increased to 22% of annual covered payroll from the 18.6% and 18.5% required in fiscal years ended June 30, 2010 and 2009 respectively. The Louisiana State Board of Nursing contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$485,227, \$341,340, and \$319,923, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP’s website - <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>) and select “GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011.” Report note disclosures for other plans, not administrated by OGB, separately.

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Annual OPEB expense and net OPEB Obligation		6/30/2011
Fiscal year ending		
1. * ARC		\$ 307,200
2. * Interest on NOO (4%)		44,720
3. * ARC adjustment		(42,700)
4. * Annual OPEB Expense (1. + 2. - 3.)		309,220
5. Contributions (employer pmts. to OGB for retirees' cost of 2011 insurance premiums)		(43,220)
6. Increase in Net OPEB Obligation (4. - 5.)		266,000
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		1,118,039
8. **NOO, end of year (6. + 7.)		<u>\$ 1,384,039</u>

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011."

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2011 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see OSRAP Memo 11-36, Appendix D, on our website.

2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, GASB 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

I. Plan Description

- Name of Plan
- Identify entity that administers the plan
- Type of plan
- Brief description of the types of benefits
- Authority under which benefit provisions are established or may be amended
- Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity, and, if so how to obtain the report.

II. Funding Policy

- Authority under which the obligations of the plan members, employers, and other contributing entities (e.g., state contributions to local government plans) to contribute to the plan are established or may be amended.

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- b) Required contribution rates of plan members (amount per member or percentage of covered payroll).
- c) Required contribution rates of the employer in accordance with the funding policy (in dollars or as percentage of current-year covered payroll) and, if applicable, legal or contractual maximum contribution rates: If the plan is a single-employer or agent plan and the rate differs significantly from the ARC, disclose how the rate is determined (e.g., by statute or contract) or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (e.g., by statute or by contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis.

III. Additional disclosures for sole and agent employers for each plan:

- a) For current year (CY), annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and the adjustment to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.
- b) For the current year and each of the two preceding years, disclose annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year. (For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)
- c) Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll. The information should be calculated in accordance with the parameters. However, employers that meet the criteria in GASB Statement 45, paragraph 11 may elect to use the alternative measurement method discussed in GASB Statement 45, paragraphs 33 through 35. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only.
- d) Information about the actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including the following:
 - 1) Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
 - 2) Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether

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the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

- 3) Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations (as discussed in the disclosure of funding policy in paragraph II(c) above) on the pattern of cost sharing between the employer and plan members in the future.
- 4) Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
- 5) Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph III(c) above. The disclosures should include:
 - (a) The actuarial cost method.
 - (b) The method(s) used to determine the actuarial value of assets.
 - (c) The assumptions with respect to the inflation rate, investment return (including the method used to determine a blended rate for a partially funded plan, if applicable), postretirement benefit increases if applicable, projected salary increases if relevant to determination of the level of benefits, and, for postemployment healthcare plans, the healthcare cost trend rate. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates.
 - (d) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open. Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

IV. Required Supplementary Information:

Sole and agent employers should present the following information for the most recent actuarial valuation and the two preceding valuations:

- a. Information about the funding progress of the plan, including, for each valuation, each of the elements of information listed in paragraph III(c) above.
- b. Factors that significantly affect the identification of trends in the amounts reported, including, for example, changes in benefit provisions, the size or composition of the

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population covered by the plan, or the actuarial methods and assumptions used. (The amounts reported for prior years should not be restated.)

The information should be calculated in accordance with the parameters and should be presented as RSI. Employers that use the aggregate actuarial cost method should prepare the information using the entry age actuarial cost method and should disclose that fact and that the purpose of this disclosure is to provide information that approximates the funding progress of the plan.

If the cost-sharing plan in which an employer participates does not issue and make publicly available a stand-alone plan financial report prepared in accordance with the requirements of Statement 43, and the plan is not included in the financial report of a PERS or another entity, the cost-sharing employer should present as RSI in its own financial report schedules of funding progress and employer contributions for the plan (and notes to these schedules), prepared in accordance with the requirements of Statement 43. The employer should disclose that the information presented relates to the cost-sharing plan as a whole, of which the employer is one participating employer, and should provide information helpful for understanding the scale of the information presented relative to the employer.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2011 amounted to \$ _____.
(Note: If lease payments extend past FY 2026, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017- 2021	FY 2022- 2026
Office Space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

2. CAPITAL LEASES

Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and

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operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/11. In Schedule B, report only those new leases entered into during fiscal year 2010-2011.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2031, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

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SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2031, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

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SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
d. Other	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2031, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

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<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remanining principal to end of lease</u>
a Office space		\$ _____	\$ _____	\$ _____
b Buildings		_____	_____	_____
c Equipment		_____	_____	_____
d Land		_____	_____	_____
e. Other		_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____ -		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____ -		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____ -		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2011 were \$ _____ for office space, \$ _____ for buildings, \$ _____ for equipment, \$ _____ for land , and \$ _____ for other.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2031, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____	
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total	\$ _____

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating

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lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of June 30, 2011:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ -
b. Building	_____	_____	-
c. Equipment	_____	_____	-
d. Land	_____	_____	-
e. Other	_____	_____	-
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of June 30, 2011: (Note: If lease receivables extend past FY2031, please create additional rows and report these future minimum lease payment receivables in five year increments.)

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2012	\$ _____	\$ _____	\$ _____	\$ _____	\$ -
2013					-
2014					-
2015					-
2016					-
2017-2021					-
2022-2026					-
2027-2031					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year June 30, 2011, totaled \$ _____. Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for buildings, \$ _____ for equipment, \$ _____ for land, and \$ _____ for other.

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K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2011:

	<u>Year ended June 30, 2011</u>			Balance June 30, 2011	Amounts due within one year
	Balance June 30, 2010	Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-	-
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable	-	-	-	-	-
Compensated absences payable	190,107	42,865	35,739	197,233	-
Capital lease obligations	-	-	-	-	-
Claims and litigation	-	-	-	-	-
Pollution remediation obligation	-	-	-	-	-
OPEB payable	1,118,039	266,000	-	1,384,039	-
Other long-term liabilities	-	-	-	-	-
Total other liabilities	1,308,146	308,865	35,739	1,581,272	-
Total long-term liabilities	\$ 1,308,146	\$ 308,865	\$ 35,739	\$ 1,581,272	\$ -

(Balances at June 30th should include current and non-current portion of long-term liabilities.)

(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the Balance Sheet for each type of long-term liabilities.

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **The State has a Self-Insurance Fund administered by the Office of Risk Management and it negotiates, and settles certain tort claims against the State or State agencies. Those claims against the State not handled through the Office of Risk Management should be reported in the following note.** Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in the impairment note.

The "probable outcome" of litigation can be described as probable, reasonably possible, or remote. Probable means the future event is likely to occur; reasonably possible means the future event is more than remote but less than likely to occur; remote means the future event has a slight chance to occur. Losses or ending litigation

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that is probable in nature should be accrued in the financial statements **and reflected on the account line, Claims and Litigation Payable.**

The Louisiana State Board of Nursing is not a defendant in litigation seeking damages.
(List only litigation not being handled by the Office of Risk Management)

Date of Action	Check (✓) if handled by AG's Office	Description of Litigation and Probable outcome (probable, reasonably possible or remote)	Estimated Amount for Claims & Litigation (opinion of legal counsel)	Insurance Coverage
			\$	\$
			\$	\$

*** Check ONLY those cases in which the AG's Office is representing or defending your entity. Also, if the AG's Office is defending your entity in a lawsuit and you are not aware of the probable outcome or estimated liability for your entity, type "unknown" in the applicable fields and we will obtain the information from the AG's Office.**

Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

- (a) Purchase of commercial insurance,
- (b) Participation in a public entity risk pool (e.g., Office of Risk Management claims)
- (c) Risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)
- (d) Other (explain) _____

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. _____

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Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. _____

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. _____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____

Disallowed Cost:

Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1	_____	_____	\$ _____	_____	\$ _____
2	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____

* Reasonably possible, probable, or remote

** Indicate only if amount can be reasonably estimated by legal counsel

M. RELATED PARTY TRANSACTIONS

FASB Codification Section 850 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. _____

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting _____ (principle, estimate or entity). The effect of the change is being shown in _____.

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O. IN-KIND CONTRIBUTIONS

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
	\$
Total	\$

P. DEFEASED ISSUES

In _____, 20____, the Louisiana State Board of Nursing, issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$_____, plus an additional \$_____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the Louisiana State Board of Nursing and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$_____ and gave the Louisiana State Board of Nursing an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$_____.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission or the Louisiana Public Facilities Authority has authorized in your agency's name or in your agency's behalf.** Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

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- a. Identify the specific pledged revenue:
- Pledged revenue is _____
 - Debt secured by the pledged revenue (amount) _____
 - Approximate amount of pledge _____ (equal to the remaining principal and interest requirements)
- b. Term of the commitment: _____ [number of years (beginning and ending dates by month and year) that the revenue will not be available for other purposes]
- c. General purpose for the debt secured by the pledge: _____
- d. Relationship of the pledged amount to the specific revenue: _____
(the proportion of the specific revenue that has been pledged)
- e. Comparison of the pledged revenues (current year information):
- Principal requirements: _____
 - Interest requirements: _____
 - Pledged revenues recognized during the period _____ (gross pledged revenue minus specified operating expenses)

NOTE: For any new Revenue Bonds, you must send a copy of the following pages:

- Cover page
- Introductory statement
- Amortization schedule – terms and conditions
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see OSRAP Memo 11-36, Appendix E)

Provide the following information in the year of the sale ONLY:

- a. Identify the specific revenue sold:
- the revenue sold is _____

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- the approximate amount _____
 - significant assumptions used in determining the approximate amount _____
- b. Period of the sale: _____
- c. Relationship of the sold amount to the total for that specific revenue: _____
- d. Comparison of the sale:
- proceeds of the sale _____
 - present value of the future revenues sold _____
 - significant assumptions in determining the present value _____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2010-2011:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2011, the Louisiana State Board of Nursing was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____. The Louisiana State Board of Nursing did _____ to correct this deficiency.

T. SHORT-TERM DEBT

The Louisiana State Board of Nursing issues short-term notes for the following purpose(s) _____.

Short-term debt activity for the year ended June 30, 2011, was as follows:

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List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	\$	\$	\$	\$ -

The Louisiana State Board of Nursing uses the following revolving line of credit for to finance _____ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance	Draws	Redeemed	Balance
Line of credit	\$	\$	\$	\$ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$ 946	\$	\$	\$	\$ 946
					-
Gross receivables	\$ 946	\$ -	\$ -	\$ -	\$ 946
Less allowance for uncollectible accounts					
Receivables, net	\$ 946	\$ -	\$ -	\$ -	\$ 946
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2011, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 76,598	\$ 137,735	\$	\$ 70,000	\$ 284,333
					-
Total payables	\$ 76,598	\$ 137,735	\$ -	\$ 70,000	\$ 284,333

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W. SUBSEQUENT EVENTS

Disclose any material event(s) affecting the Louisiana State Board of Nursing occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 _____
Segment No. 2 _____

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or the Louisiana State Board of Nursing should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

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Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

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	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:

(Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

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<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Louisiana State Board of Nursing at June 30, 2011, reflected at \$ _____ in the liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2011.

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Ending net assets 6/30/10 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/10 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/10) + or (-)	Beg net assets @ 7/1/10 as restated
\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

*Include all audit adjustments accepted by the agency or entity.
Each adjustment must be explained in detail on a separate sheet.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total net assets reported on Statement A at June 30, 2011, \$ _____ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to OSRAP Memo 11-36, Appendix C, for more details on the determination of the amount to be reported as required by GASB Statement 46.

List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total		\$ _____

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See OSRAP Memo 11-36, Appendix B, for more information on GASB 42 and the Impairment of Capital Assets.

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The following capital assets became permanently impaired in FY 10-11: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in OSRAP Memo 11-36, Appendix B, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Stmts</u>	<u>Financial Statement Classification</u>	<u>Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane, fire)</u>
Buildings	\$ _____	\$ _____	\$ _____	_____	_____	_____
Movable Property	_____	_____	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____	_____	_____

Insurance recoveries received in FY 10-11 related to impairment losses occurring in previous years, and insurance recoveries received in FY 10-11 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings	\$ _____	_____	_____
Movable Property	_____	_____	_____
Infrastructure	_____	_____	_____

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

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<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan. Voluntary termination benefits include benefits such as early retirement incentives.

Other termination benefits include:

1. Early retirement incentives such as cash payments. Some state agencies adopted layoff avoidance plans to provide a mechanism to balance budget deficits while delaying or avoiding layoffs.
2. Continued access to healthcare, including COBRA costs paid by the agency
3. Career counseling
4. Outplacement services

Payments for accrued annual leave are not considered as termination benefits. Annual leave is a part of the compensation that the state offers in exchange for services received. As a result, payments for accrued annual leave upon termination are considered to be compensation for employee services. Do not report these amounts as termination benefits.

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s).
2. Year the state becomes obligated
3. The number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.

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8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.

The agency recognizes the cost of providing termination benefits as expenditures when paid during the year. For FY 2011, the cost of providing those benefits for _____ (number of) terminations totaled \$ _____. For state uniform payroll agencies, these amounts are coded to G/L account 2125.

The liability for the accrued terminations benefits payable at June 30, 2011 is \$ _____. This liability consists of _____ (number of) terminations.

Provide a detailed description of termination benefits provided to employees as summarized above. Include names, job titles and amounts. Provide attachments as necessary. This information will be provided by OSRAP to all state uniform payroll agencies.

[The termination benefits payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

EE. POLLUTION REMEDIATION OBLIGATIONS

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

Disclosures:

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

See OSRAP Memo 09-24, <http://www.doa.la.gov/osrap/sagasb49.htm> or the Q&A at http://www.doa.la.gov/OSRAP/library/gasb34/GASB49_QA.pdf for more information on measuring pollution remediation liabilities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

At fiscal year end, _____ the Louisiana State Board of Nursing was a responsible party or potential responsible party in the remediation of _____ (friable asbestos, polluted ground water, removal of leaking underground fuel storage tanks, removal of lead-based paint, diesel spill cleanup, removal and replacement of contaminated soil, oversight and enforcement-related activities, post-remediation monitoring, etc.) on _____ agency's/entity's property. A possible explanation for this is _____. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ _____. The _____ (agency) paid \$ _____ in remediation costs for fiscal year 2011 and is reporting a balance of \$ _____ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

The following worksheet is provided to assist in completing required note disclosure and in determining the agency's pollution remediation activities, current year expenses, adjustments to pollution remediation obligations, and the amount of the year end liability.

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As of and for the year ended June 30, 2011

a _____ (agency/department)
 GASB 49
 Inventory Log
 FYE 6/30/11

	e	f	g	h	i	j	k	l	m	n	o	p	q
Project Name	FP&C/DEQ Project Number	Trigger Year	6/30/10 Ending Balance	Increases	Decreases (expenditures) (including accruals)	Decreases (other adjustments)	6/30/11 Ending Balance (including accruals)	Percent Complete	Current Portion of L/T Debt	Non-Current Portion of L/T Debt	Realizable Recoveries	13th Period Expenditures	Notes
<u>Projects Reported @ 6/30/10 b</u>							0 0 0 0 0 0 0						
			0	0	0	0	0		0	0	0	0	
<u>Projects NOT Previously Reported c</u>							0 0 0 0 0 0 0						
			0	0	0	0	0		0	0	0	0	
<u>Projects Begun after 7/1/10 d</u>							0 0 0 0 0 0 0						
			0	0	0	0	0		0	0	0	0	
Totals			0	0	0	0	0		0	0	0	0	

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Explanations for GASB 49 Worksheet

- a Enter agency/department name
- b List projects reported in the prior fiscal year that had an outstanding liability at 6/30/10
- c List projects that were overlooked or not included as remediation projects in previous fiscal years
- d List remediation projects that were begun/identified in the fiscal year ending 6/30/2011
- e Enter project number assigned by FP&C, DEQ, or other number assigned to identify project
- f Year the project was begun--this is not necessarily the year remediation began; it should be the year the pollution was identified and includes time involved to develop a remediation plan and the actual remediation process
- g This column is used to report those projects that were included/added in the previous fiscal year and had a balance outstanding at the end of that year
- h This column is for reporting increases in the estimated remediation cost, whether from expanding the scope of the project to contracting for a specific service.
- i Record total expenditures related to the project made during the fiscal year, including those made in the 13th period (13th period expenditures are also shown separately in column AB (p))
- j Record activities that decrease the estimated remediation liability that are not expenditures--for example, amounts included in original estimate were overstated and actual was less than what was recorded; scope of project not as extensive as originally e
- k The formula in this column sums columns J, L, N, and P (g, h, i, and j)
- l Indicate percentage of project completion in this column
- m Amounts in this column represent the portion of the ending liability that are due and payable within the next 12 months
- n Amounts in this column represent the portion of the ending liability that are not due and payable until after 6/30/12. This amount plus the amount in column V (m) must total the amount in
- o This column is to identify any amounts that have been or will be received from other sources such as other responsible parties or insurance proceeds to help cover the cost of remediation
- p Record amounts expended on pollution remediation projects during the 13th accounting period in this column--this amount should be included in column N (i)
- q Provide reference and note explanations on an extra page, for example: (1) awaiting court

STATE OF LOUISIANA
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Notes to the Financial Statement
As of and for the year ended June 30, 2011

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Provide your entity's ARRA revenue received in FY 2011 on a full accrual basis:

None.

Provide your entity's ARRA expenses in FY 2011 on a full accrual basis:

None.

Name	Amount
Robert A. Bass	\$ 150
Nancy L. Davis	75
Larry J. Haley	600
Julie E. Harris	450
Patricia R. Johnson	150
Carlene MacMillan	1,425
Debbie Olds	600
Demetrius Porche	225
Patricia M. Prechter	675
Sue Westbrook	975
Total	\$ 5,325

SCHEDULE 1

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2011
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2011
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:							
		\$	\$	\$	\$		\$
Unamortized Discounts and Premiums Series:							
Total		\$	\$	\$	\$		\$

***Note: Principal outstanding (bond series/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.
Send copies of new amortization schedules for bonds and unamortized costs.**

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2011

Ending:	Payment	Interest	Principal	Balance
2012	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u> --
2013	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2014	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2015	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2016	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2017-2021	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2022-2026	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2027-2031	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2032-2036	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
Total	\$ <u> </u> --	\$ <u> </u> --	\$ <u> </u> --	\$ <u> </u> --

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2011**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ _____	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
2032-2036	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-B

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2011**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ _____	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
Total	\$ <u> -- </u>	\$ <u> -- </u>

***Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.**

SCHEDULE 4-C

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2011

	Financial Statement	Adjustments	ISIS Appropriation Report-08/16/11	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Federal Funds	_____	_____	_____	_____	_____
Sales of Commodities and Services	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total appropriated revenues	_____	_____	_____	_____	_____
Expenses:					
Cost of goods sold	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Personal services	_____	_____	_____	_____	_____
Travel	_____	_____	_____	_____	_____
Operating Services	_____	_____	_____	_____	_____
Supplies	_____	_____	_____	_____	_____
Professional services	_____	_____	_____	_____	_____
Other charges	_____	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____	_____
Interagency transfers	_____	_____	_____	_____	_____
Debt service	_____	_____	_____	_____	_____
Other:					
Bad debts	_____	_____	_____	_____	_____
Depreciation	_____	_____	_____	_____	_____
Compensated absences	_____	_____	_____	_____	_____
Interest expense	_____	_____	_____	_____	_____
Other (identify)	_____	_____	_____	_____	_____
Total appropriated expenses	_____	_____	_____	_____	_____
Excess (deficiency) of revenues over expenses (budget basis)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
June 30, 2011

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
OPEB payable	_____
Other	_____
Change in Net Assets	\$ _____ -

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$3 million**, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>5,566,413</u>	\$ <u>5,417,362</u>	\$ <u>140,951</u>	<u>2.75%</u>
Expenses	<u>5,182,618</u>	<u>4,709,724</u>	<u>472,894</u>	<u>10.04%</u>
2) Capital assets	<u>3,447,317</u>	<u>3,587,667</u>	<u>(140,350)</u>	<u>-3.91%</u>
Long-term debt	<u>1,581,272</u>	<u>1,308,146</u>	<u>273,126</u>	<u>20.88%</u>
Net Assets	<u>9,625,019</u>	<u>9,241,224</u>	<u>383,795</u>	<u>4.15%</u>
Explanation for change:				

SCHEDULE 15

AGENCY NUMBER _____
AGENCY NAME: LOUISIANA STATE BOARD OF
NURSING

[illegible]